

1997-98 SESSION COMMITTEE HEARING RECORDS

Committee Name:

*Joint Committee on
Finance
(JC-Fi)*

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr_JC-Fi_Misc_pt05g_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.515/16.505

14 Day Passive
Reviews

5/14/97 -

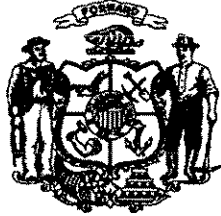
6/30/97

Building Commission
6/16/97

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

Room 302H
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
SCOTT JENSEN

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 264-6970

JOINT COMMITTEE ON FINANCE

Wednesday, June 18, 1997

Secretary Robert N. Brandherm
Building Commission
101 E. Wilson St.
P.O. Box 7866
Madison, WI 53703

Dear Secretary Brandherm:

This letter is to inform you that members of the Joint Committee on Finance have reviewed your request dated May 27, 1997, pursuant to s. 13.48(14)(d)(4) Stats., concerning the sale of the Employment Security Building in LaCrosse.

No objections to this request have been raised. Accordingly, the request has been approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Burke'.

BRIAN BURKE
Senate Chair

A handwritten signature in black ink, appearing to read 'Scott R. Jensen'.

SCOTT R. JENSEN
Assembly Chair

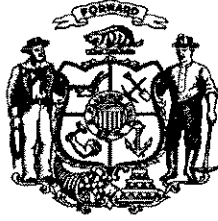
cc: Members, Joint Committee on Finance
Jay Hummer, Department of Administration
Bob Lang, Legislative Fiscal Bureau

BB:SJ;jt

THE STATE OF WISCONSIN

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BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative Scott Jensen
Co-Chairs, Joint Committee on Finance

Date: June 9, 1997

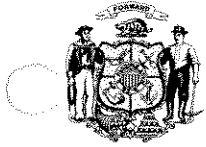
Re: 14 Day Passive Review/Sale of Surplus Property

Attached is a copy of a request from the Secretary of the Building Commission, Robert Brandherm, regarding the sale of the federally-owned Employment Securities Building at 508-5th Avenue in LaCrosse. This request is pursuant to s. 13.48(14)(d)(4), Stats., which requires the Building Commission to notify the Joint Committee on Finance of its intent to sell property.

Please review this item and notify **Senator Burke** or **Representative Jensen** no later than **Monday, June 16, 1997**, if you have any questions about this request or would like the Committee to meet formally to consider it. If no objections are heard by that date, the request will be approved.

Also, please contact us if you need further information.

BB:SJ:jt



State of Wisconsin \ BUILDING COMMISSION

Tommy G. Thompson
Governor

Robert N. Brandherm
Secretary

101 E. WILSON ST.
P.O. BOX 7866
MADISON, WISCONSIN 53707

May 27, 1997

The Honorable Brian Burke, Chair
The Joint Committee on Finance
P.O. Box 7882
Madison, WI 53707

The Honorable Scott Jenson, Chair
the Joint Committee on Finance
P.O. Box 8952
Madison, WI 53708

Dear Senator Burke and Representative Jenson:

RE: Sale of Surplus Property - Employment Security Building - LaCrosse

This request is submitted as required by s. 13.48(14)(d)(4) as a notification of the intent to sell the federally-owned Employment Security Building at 508 5th Avenue, South in LaCrosse to Franciscan Skemp Medical Center, Inc. at the price of \$240,000. There have been two private appraisals of the property, one at \$190,000 and one at \$300,000. We believe the average of the appraisals to be representative of the value of the building. Since this is a federally-owned building, proceeds of the sale will be returned to the U.S. Department of Labor. The building was constructed in 1960 at a cost of \$152,975 solely with federal funds.

The sale of this building is part of a long term plan by the department to sell six of its remaining nine Employment Security (Reed Act) buildings constructed in the 1960's with federal funds. Generally the buildings are no longer large enough to meet program needs of co-locating DWD services with other agencies in "one-stop" Job Centers and are no longer needed for taking unemployment insurance claims. In addition, most of the buildings selected for sale would require substantial renovations in order to replace aging and failing HVAC systems. The department has already sold its buildings in Wausau, Madison, Manitowoc, Kenosha and Janesville. The building in Racine is still listed for sale.

The Building Commission approved this request on Wednesday, May 21, 1997. A copy of the agency request is attached for additional background information.

We understand that s. 13.48(14)(d)(4) provides 14 working days for review by the Joint Committee on Finance and would appreciate a letter approving the sale or scheduling a hearing on this matter so that, if approved, the department and buyer can proceed with the closing. Please feel free to call me at 266-1031 if you have any questions regarding this transaction.

Sincerely,

Robert N. Brandherm
Secretary

DRW:RNB:amm

Attachment

cc: Robert Lang, Legislative Fiscal Bureau

Agency Request for
State Building Commission Action
May 21, 1997

Requesting Agency: Department of Workforce Development

Requested Action:

Approval to sell the federally owned Employment Security (Reed Act) building, 508 5th Avenue South, LaCrosse, which has housed the local offices of the Unemployment Insurance and Workforce Excellence (formerly Jobs, Employment and Training Services (JETS) Divisions.

Source of Funds: Only federal funds are involved.

Explanation:

The department's Workforce Excellence Division moved to the recently created LaCrosse Job Center at 402 N. 8th Street in October, 1996. The DWE staff need to be co-located in a "one-stop" job center in order to provide effective services in a coordinated manner with other local related agencies. The department's 5th Avenue South building would not be a suitable location for the job center.

The UI division's claimstaking staff have vacated the LaCrosse building in June, 1996. With the department's recent change to handle claims for Unemployment Insurance via a sophisticated telephone/computer system referred to as Telephone Initial Claims, there is no longer a need for most Unemployment Insurance (UI) offices in the state. The UI division's five adjudicators are relocating to the new adjudication center in Eau Claire, and the UI hearing site and one auditor staff will be relocated in LaCrosse.

The building was constructed in 1960 at a cost of \$152,975 solely with federal funds.

U. S. Department of Labor approval to sell the building has been requested and is expected.

Proceeds from the sale are expected to be returned to the federal government.

The sale of this building is part of a long-term plan by the department to sell six of its remaining nine Employment Security (Reed Act) buildings constructed in the 1960's with federal funds. Generally the buildings are no longer large enough to meet program needs of co-locating DWD services with other agencies in "one-stop" Job Centers and are no longer needed for taking unemployment insurance claims. In addition, most of the buildings selected for sale would require substantial renovations in order to replace aging and failing HVAC systems. The department has already sold its buildings in Wausau, Madison, Kenosha, Janesville and Manitowoc. The buildings in LaCrosse and Racine are now listed for sale.

The Department has followed State of Wisconsin procedures to sell the property.

The property was offered for sale to other governmental agencies, state and local. We then listed the property for sale with the commercial real estate firm The Rifken Group, Inc. on September 5, 1996. Rifken was selected in a state-wide procurement process. Rifken marketed the property with local advertising and mailings.

The department obtained two independent appraisals by MAI appraisers. Copies of their valuations of the building are included as attachments A and B. The estimated market value established by the appraisers is as follows:

Midwest Professional Appraisal, LaCrosse	\$160,000
David A. Eilerton, MAI	
Moegenburg Research, Inc. Elm Grove	\$300,000
Peter A. Moegenburg, MAI	

The offer from Franciscan Skemp Medical Center, Inc., dated April 29, 1997, is for \$240,000, see Attachment C.

The Department has accepted, pending approval by the State Building Commission, the U. S. Department of Labor, and the Joint Finance Committee, the Franciscan Skemp Medical Center, Inc., offer of \$240,000. The department and Franciscan Skemp Medical Center, Inc., would like to close the sale by July 31, 1997.

The Department believes the offer from Franciscan Skemp Medical Center, Inc., is reasonable and should be accepted. The property has been actively marketed for eight months and this is the first and only offer on the property. The offer has no finance contingency. The department successfully negotiated a counter-offer which requires the buyer to pay for the environmental assessment and radon testing which the prospective buyer first asked the department to pay for. The department has disclosed to potential buyers that the building contains a "Sheffield" type floor structure which may have limited weight bearing capacities. Additionally the HVAC system is the original 1960 system. While \$5,000 under the average of the two appraisals, this offer is \$35,000 more than the highest price we have received for similar Reed Act buildings sold to date. Sale prices have ranged from \$165,000 for Janesville to a high of \$205,000 for Kenosha.

A real estate broker commission of 5.990% will be payable to the Rifken Group from the sales proceeds upon closing, in accordance with the contract for Real Estate Broker Services, # C562.

Attachments

- A - Moegenburg Research, Inc., Peter A. Moegenburg, MAI appraisal report
- B - Midwest Professional Appraisal, David A. Eilerton, MAI appraisal report
- C - Accepted offer from Franciscan Skemp Medical Center, Inc